

**ANGLO AUSTRALIAN RESOURCES NL
(AAR)**

**DRILLING TO EXTEND THE HIGH-GRADE
WEST MANDILLA PALAEOCHANNEL COMMENCES**

Anglo Australian Resources NL "AAR" has commenced phase one of a two phase aircore drilling program of 3,000m at its wholly owned Mandilla Project 20km SW of Kambalda, Western Australia. The program is designed to follow up high grade gold intersections announced by AAR in its 16 February 2005 release to the Australian Stock Exchange. It primarily aims to extend the palaeochannel mineralisation, but will also provide further information concerning the bedrock mineralisation potential.

Drilling will principally target the interpreted southern extension of the shallow, high-grade, gold-mineralised West Mandilla Palaeochannel. AAR previously defined the Palaeochannel over a channel length of 600m and in October 2004 announced a Probable Reserve of 32,000 tonnes @ 9.01g/t Au (9270 ounces).

Subsequent drilling in November 2004 and January 2005 beyond the October 2004 limits of the Palaeochannel returned high-grade intersections of **5m @ 65.31g/t Au (inc. 1m @ 238.57g/t Au), 3m @ 70.59g/t Au (inc. 1m @ 199.79g/t Au), 1m @ 14.22g/t Au, 3m @ 250.07g/t Au (inc. 1m @ 739.76g/t Au) and 2m @ 10.77g/t Au**, and indicated that the palaeochannel mineralisation was likely to continue to the south.

The current drilling program will be conducted in two phases, the initial phase consisting of drilling at 40x20m spacing. The second phase, which will commence as soon as assays are available for the first phase drilling, will consist of close-spaced in-fill drilling. An updated reserve/resource estimate is expected by 30 June 2005.

The AAR board at its 1 April meeting agreed to progress as rapidly as possible all matters, including formal approvals, that require finalisation prior to making a formal decision whether to mine the West Mandilla Palaeochannel.

Signed on behalf of the Board of Anglo Australian Resources N.L.

**John L C Jones
CHAIRMAN**

5 April 2005

Information in this Report relating to geological data has been compiled by the Anglo Australian Resources NL Exploration Manager, Peter Komyshan, who:

- is a full-time employee of Anglo Australian Resources NL;
- has sufficient experience, which is relevant to the type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the *Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves*.
- is a Member of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists and has had more than twenty years' experience in the field of activity reported herein;
- has consented in writing to the inclusion of this data.